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Message Text

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PAGE 01 LISBON 02941 131819Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 DODE-00
DOTE-00 INR-07 NSAE-00 FAA-00 L-03 H-01 TRSE-00
OMB-01 LAB-04 SIL-01 OPIC-03 PA-01 PRS-01 USIA-06
/051 W
----------140320Z 057910 /72-62
R 131718Z APR 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 0933
INFO AMCONSUL OPORTO
USDOC WASHDC

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E.O. 11652: N/A
TAGS: EINV, PO
SUBJ: SUMMARY OF AMERICAN INVESTMENT PROBLEMS

REF: (A) LISBON 2802, (B) LISBON 2866, (C) LISBON 2322

1. MARRIOTT: LABOR MINISTRY APPROVED ON APRIL 11 MARRIOTT REQUEST TO DISMISS 46 PEOPLE. APPROVAL ORDER STATED THERE WAS NO REASON TO OPPOSE FIRM'S REQUEST, THUS RECOGNIZING THAT DISMISSAL WAS ECONOMICALLY JUSTIFIED. WORKERS MET ON APRIL 12 AND DECLARED DISMISSAL ILLEGAL AND VOWED NOT TO ACCEPT IT. CRITICAL POINT WILL BE AFTERNOON OF APR 13 WHEN 46 WORKERS RECEIVE FINAL PAYCHECKS WITH SEVERANCE PAYMENT. MARRIOTT MANAGER REPORTS LABOR MINISTRY HAS STATED IT IS PREPARED TO SEND POLICE AUTHORITIES IN CASE OF ANY PROBLEM. MARRIOTT MANAGEMENT HAD MADE PREPARATIONS TO CATER AIRPLANES TEMPORARILY FROM OTHER AIRPORTS IF ITS ACTIVITY HERE IS INTERRUPTED. LAY-OFF PUBLICIZED BY NATIONAL RADIO AND COMMUNIST MORNING PRESS.

2. ITT: SEE REF B FOR DETAILS OF APRIL 7 MEETING BETWEEN ITT VICE PRESIDENT LUKE AND MINISTER OF INDUSTRY NOBRE
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PAGE 02 LISBON 02941 131819Z

DA COSTA. ANOTHER MEETING SCHEDULED FOR APRIL 21 IN LISBON.

3. LATRIQUE: ACCORDING TO CONSET REPRESENTATIVE HARPSOE, BANCO ESPIRITO SANTO (BESCL) HAS SUSPENDED ITS SUIT IN NEW YORK AGAINST LATRIQUE. BANK AGREED TO SUSPENSION IN ORDER TO ALLOW NEGOTIATIONS BETWEEN CONSET AND LATRIQUE

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OVER POSSIBLE PLACEMENT OF ORDERS IN PORTUGAL.

4. TWA: AMBASSADOR MET APRIL 12 WITH FOREIGN MINISTER WHO STATED GOP IS TENTATIVELY CONSIDERING TWO POSSIBLE ALTERNATIVES: A) THE IMMEDIATE RENEGOTIATION OF THE BILATERAL CIVIL AVIATION AGREEMENT; OR B) TO ALLOW TWA TO FLY INTO LAJES NOW ON AN "EXPERIMENTAL" BASIS FOR ONE YEAR WHILE NEGOTIATIONS ON THE BILATERAL PROCEED. AMBASSADOR ALSO DISCUSSED CASE WITH TRANSPORTATION MINISTER RUI VILAR ON APRIL 13 (LISBON 2939).

5. APPLIED MAGNETICS: DAILY PRESS CARRIED OFFICIAL NOTICE OF AUCTION ON APRIL 12 OF SOME APPLIED MAGNETICS PORTUGUESA EQUIPMENT (COMPONENTS AND ACCESSORIES FOR COMPUTERS). BAILEY OF AM KNEW OF AUCTION PLANS BEFORE DEPARTING PORTUGAL BUT DECIDED IT WAS TOO LATE TO STOP THEM.

6. COMMENT: MINISTRY OF LABOR APPROVAL OF MARRIOTT LAY-OFF REQUEST VERY SIGNIFICANT. AS FAR AS EMBASSY AWARE, THIS IS FIRST APPROVAL OF MASS LAY-OFF FOR ECONOMIC REASONS IN SEVERAL MONTHS. MANY OTHER FIRMS WILL SEE THIS AS A PRECEDENT AND FILE SIMILAR REQUESTS. UNIONS DID OPPOSE MEASURE, AND UNTIL LAST MOMENT MARRIOTT HAD INFORMATION THAT ITS REQUEST WOULD BE DENIED FOR POLITICAL REASONS. DEGREE OF MINISTRY SUPPORT IN CASE OF TROUBLE ON APRIL 13 WILL BE ANOTHER SIGNIFICANT INDICATION OF ATTITUDES AND INTENTIONS OF NEW LABOR MINISTER.
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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: REPORTS, BUSINESS FIRMS, INVESTMENT OPPORTUNITIES, FOREIGN INVESTMENTS
Control Number: n/a
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Sent Date: 13-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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22 May 2009
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